

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 568 - SB 1081

March 23, 2021

**SUMMARY OF ORIGINAL BILL:** Requires state agencies to precede non-emergency rulemaking with notice and a public hearing unless the rule is promulgated as a proposed rule. Defines “proposed rule” as a rule that makes a minor, nonsubstantive change, is approved by the Joint Government Operations Committee, repeals an existing rule, or eliminates or reduces a fee.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005683):** Deletes and rewrites all language after the enacting clause such that the only substantive changes are: (1) adding language to clarify that a “proposed rule” cannot affect the rights of persons or increase fees or penalties; and (2) authorizes a person to file a suit directly to the chancery court in their county of residence to enjoin enforcement of a rule when the rule is not adopted in compliance with the *Uniform Administrative Procedures Act* (the Act).

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 4-5-202(a), an agency is exempt from preceding nonemergency rulemaking with a public hearing unless a petition is filed by 10 people affected by the rule, an association of 10 people, a municipality, or by majority vote of any committee of the General Assembly.
- The proposed legislation establishes that only proposed rules may be exempt from public hearings if a petition for such hearing is not received.
- Any non-emergency rule promulgated by a state agency that is not a minor, nonsubstantive change, approved by the Joint Government Operations Committee, repeals a rule, or eliminates or reduces a fee will be required to hold a public hearing.
- Several state agencies currently hold a public hearing for substantial rulemaking. Any state agency that does not currently hold a public hearing for substantial rulemaking can conduct any additional required hearings within existing resources.

- The Joint Government Operations Committee meets throughout the year; therefore, any approval of proposed rules will not require additional meetings and can be accomplished within existing resources.
- Authorizing a person to file a suit to enjoin enforcement of a rule when the rule is not adopted in compliance with the Act is not estimated to result in a significant number of court proceedings or cases in local chancery courts.
- No significant fiscal impact to state or local government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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